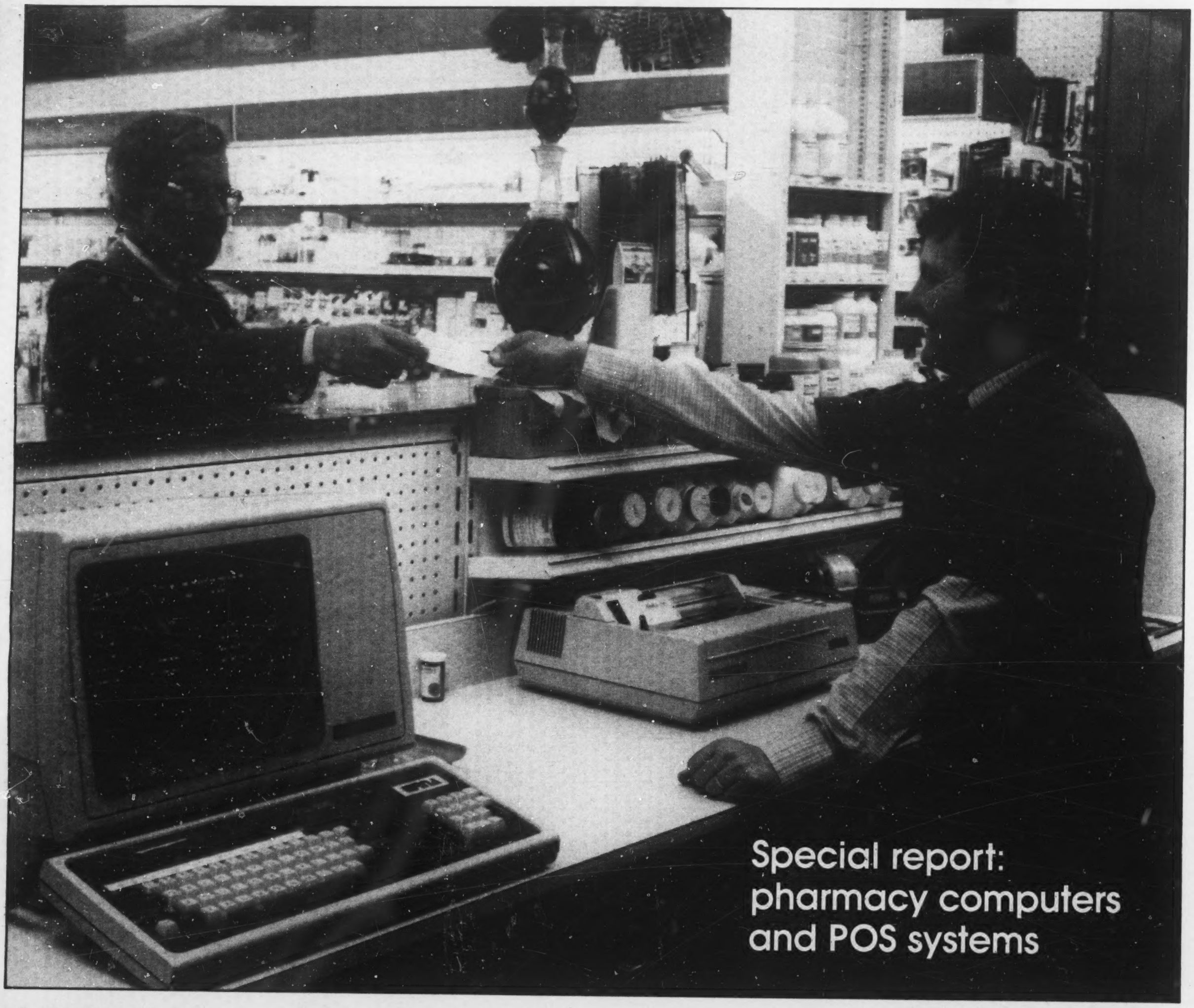
PHARMACY



1984: Boom year for computer hookups

Industry sources are forecasting a boom year for new pharmacy-computer installations as computer technology improves and prices fall.

It is now estimated that by the end of this year, about 15,000 drug stores, approximately 30% of the industry, will have pharmacy computers.

"With this evolution in technology and decline in the cost over a period of time, we have seen a general proliferation of computers by both the independent and the chains," says William A. Lockwood, president and publisher of *ComputerTalk*, a publication specializing in pharmacy and medical computer systems.

Many of the chains and independents that have pharmacy computers are also finding sophisticated new applications for them, such as running software that links electronic in-store communicating cash registers to in-store mini and micro computers.

To date, independents have been more aggressive in pharmacy-computer installations, but Lockwood sees the chains quickly closing the gap.

"Right now 25% of the independent pharmacies are using pharmacy-computer systems, compared with 20% for the chains," says Lockwood. He estimates that by the end of 1984 the number of independents and chains using computers will be equal. "We project that about 30% of all independents and chains will be operating a pharmacy-computer system by year end," he added.

With entry-level prices averaging around $15,000, Lockwood says the current payback on a system is excellent.

"When paid out over a five-year period, it costs the pharmacy only $8.22 a day before taxes to own his own computer system," says Lockwood. "Now that's a real bargain."

One chain in the computer fast lane is Genovese Drug Stores. According to Wayne Carona, assistant vp, pharmacy services, of the 72-store Melville, N.Y.-based chain, new computer systems are being installed at the rate of one or two a week. "We've taken the IBM pharmacy-computer package and rewritten the software to tailor-make it to our needs," said Carona. Genovese plans to have the entire chain computerized by the end of 1984.

In the past, stores that did the highest volume of prescription business were the first to get pharmacy computers. But with third-party workloads increasing, chain executives are rethinking their criteria for computer-system installations.

In a study conducted by *Drug*

Continued on page 40

Chains testing integrated computer/POS systems

Chain	HQ	Total # of stores	Stores integrating by year end	Stores with integrated systems
Pay Less NW	Tacoma/Seattle	160	57	38%
Eckerd	Clearwater	1,400	100	7
Medi Mart	Quincy, Mass.	54	20	37
Pay 'n Save	Seattle	156	13	8
Revco	Twinsburg, Ohio	1,700	20	1
Rite Aid	Shiremanstown, Pa.	1,100	6	.05
Big B	Birmingham, Ala.	100	*1 or 2	1-2
Thrifty	Los Angeles	540	5	1

*Test Scheduled to begin sometime in 1985
Source: *Drug Store News*

PHARMACY

DrSN Guide to Computer Hardware Suppliers

The following list of hardware suppliers represents those companies from which a pharmacy may directly purchase its hardware requirements. Most of these hardware suppliers also offer a comprehensive pharmacy software package to run on their equipment. Those that have available software packages are also listed in the *DrSN* Guide to Software Versatility. There are also companies listed in the software guide that do not offer hardware but have software packages that may be run on a variety of accessible hardware available in the marketplace.

Supplier/Headquarters	Name of System	Type of System	Entry Level Price	Storage	Backup	Special Features	Entry Level Main Memory	Processor Size	Buy or Lease	Maintenance
Apothetech Torrance, Calif.	Apothetech System II	Stand-Alone	$13,990	10 megabyte Winchester	Floppy diskette/ cartridge	Communication by Modem	256KB	16/32Bit	Buy/Lease	$175/Mo.
Autoscript Inc. Spring House, Pa.	The Autoscript System	Stand-Alone	$17,500	10 megabyte Winchester	Floppy diskette	Communication by Modem	128KB	16/32Bit	Buy Only	$120 + /Mo.
BDM Information Systems Ltd. Saskatoon, Saskatchewan, Canada	BDM Pharmacy System	Stand-Alone	$30,000	10 megabyte Winchester	Floppy diskette	Communication by Modem	96KB	8/16Bit	Buy/Lease	$196/Mo.
Bergen Brunswig Carson, Calif.	Compuphase 2	Stand-Alone	$16,995	40 megabyte Winchester	Streamer Tape	Communication by Modem	128KB	16Bit	Buy Only	—
Compute-Rx Richmond, Va.	Compute-Rx Pharmacy Management System	Stand-Alone	$16,500	10 megabyte Winchester	Streamer Tape	Communication by Modem	128KB	16Bit	Buy Only	$163/Mo.
ComCo Tex Westmont, Ill.	Digital Equipment Corp. (DEC)	Stand-Alone	$19,500	20 megabyte Winchester	Floppy diskette/ Streamer Tape	N/A	768KB	16Bit	Buy/Lease	$105/Mo.
James W. Daly Lynnfield, Mass.	Script Control	On-Line	$700/Mo.	—	—	—	—	—	—	—
James W. Daly Lynnfield, Mass.	Auto-Script	Stand-Alone	$17,000	10 megabyte Winchester	Floppy diskette	Communication by Modem	256KB	16Bit	Buy/Lease	$120/Mo.
Freedom Data Systems Newport, N.H.	Freedom Pharmacy System	Stand-Alone	$19,995	10 megabyte Winchester	Floppy diskette	Communication by Modem	128KB	8Bit	Buy Only	—
Freedom Data Systems Newport, N.H.	Personal Freedom	Stand-Alone	$8,000	10 megabyte Winchester	Streamer Tape	N/A	192KB	16Bit	Buy Only	—
G/H Systems Joplin, Mo.	G/H Plus	Stand-Alone	$21,895	35 megabyte Winchester	Streamer Tape	Multitasking	256KB	16Bit	Buy Only	$189/Mo.
General Computer Corp. Twinsburg, Ohio	The Solution	Stand-Alone	$15,500	20 megabyte Winchester	Floppy diskette	Communication by Modem	384KB	16Bit	Buy Only	$130/Mo.
Honeywell Billerica, Mass.	Compass System	Stand-Alone	$14,995	20 megabyte Winchester	Floppy diskette	Communication by Modem	256KB	16Bit	Buy/Lease	$62/Mo.
MAI Basic Four Irvine, Calif.	Pharmacy System	Stand-Alone	$26,700	14 megabyte Winchester	Magnetic Tape Cartridge	N/A	126KB	16Bit	Buy/Lease	$140/Mo.
The Mastercare Corp. Las Colinas, Irving, Tex.	Mastercare Pharmacy System	Stand-Alone	$27,000	40 megabyte Winchester	Floppy diskette	Communication by Modem	640KB	16Bit	—	1% of purchase price
National Data Atlanta, Ga.	DataStat-PC	Stand-Alone	$10,995	10/20 megabyte Winchester	Floppy diskette/ Streamer Tape	Multitasking	128KB	16Bit	Buy Only	$50/Mo.
Norand Corp. Cedar Rapids, Iowa	A-Line System	Stand-Alone	$19,500	19 megabyte Winchester	Winchester	Communication by Modem	384KB	16Bit	Buy Only	$190/Mo.
Response Inc. Jackson, Minn.	PC Pharmacist	Stand-Alone	$10,000	10 megabyte Winchester	—	Communication by Modem	256KB	16Bit	Buy Only	10% of purchase price
3PM Inc. Livonia, Mich.	Pharmaserv	Stand-Alone	$14,500	10 megabyte Winchester	Floppy diskette	Communication by Modem	128KB	16Bit	Buy/Lease	$65/Mo.
Pacific Pharmacy Computers Inc. San Diego, Calif.	ScriptWriter	Stand-Alone	$9,995	10/80megabyte Winchester	Floppy diskette/ Streamer Tape	Communication by Modem	64KB	8/16Bit	Buy/Lease	$170/Mo.
IBM White Plains, N.Y.	Series I	Stand-Alone	—	9.3/64 megabyte Winchester	Floppy diskette	Communication by Modem	16KB	—	—	—
IBM White Plains, N.Y.	System/36	Stand-Alone	—	400 megabyte Winchester	Floppy diskette/ Tape	Communication by Modem	50KB	—	—	—
IBM White Plains, N.Y.	IBM PC-XT	Stand-Alone	—	10 megabyte Winchester	Floppy diskette	Communication by Modem	40KB	—	—	—
Lad Drug Co. Rosemead, Calif.	Compuscript	On-Line	—	—	—	—	—	—	Buy/Lease	—
Anacomp Spring House, Pa.	ExNet	Stand-Alone	$14,500	12/160 megabyte	Tape	—	128KB	8/16Bit	—	—
Polaris Microcomputers Inc. Burlington, Mass.	Microscript	Stand-Alone	$11,000	20 megabyte Winchester/Floppy	Floppy diskette	—	64KB +	8Bit	—	—
Programs & Analysis Professional Health Hasbrouck Heights, N.J.	P & A Pharmacy Computer System	Stand-Alone	$24,900	Winchester/Floppy	Tape	—	64KB	8Bit	—	—
Triad Pharmacy Systems Inc. Charlotte, N.C.	Triad Pharmacy System	Stand-Alone	$15,000	10 megabyte Winchester	Floppy diskette	Communication by Modem	256KB	16Bit	Buy Only	$81/Mo.
Smith Data Processing Spartanburg, S.C.	QS/1 Pharmacy System	Stand-Alone	$12,500	10 megabyte Winchester	Floppy diskette	—	128KB	16Bit	Buy Only	—
S. B. Systems Inc. Jenkintown, Pa.	S. B. System	Stand-Alone	$13,995	10 megabyte Winchester	Floppy diskette	Communication by Modem	256KB	16Bit	Buy Only	$34/Mo.
TBL Inc. South Lake, Tex.	Pharmdata	Stand-Alone	$15,900	20 megabyte Winchester	Floppy diskette	Communication by Modem	512KB	32/16Bit	Buy/Lease	$150/Mo.
Script Systems Inc. Hasbrouck Heights, N.J.	Script	Stand-Alone	$15,900	15 megabyte Winchester	Floppy diskette	Communication by Modem	256KB	16Bit	Buy/Lease	$109/Mo

Source: *Drug Store News* survey
— = information not available

Special report: pharmacy computers and POS systems

Continued from page 39

Store News, company execs listed price controls and ease of third-party billing as the two main reasons for computers.

The study revealed 92% of the participants ranked pricing as the No. 1 reason for purchasing a pharmacy computer, while 85% ranked third-party billing as the second-most important item.

The keeping of accurate patient profiles, labor savings, and using the computer for marketing purposes ranked third, fourth and fifth, respectively. Other reasons given for purchasing a computer included, in descending order, prescription filling, inventory control, management reports, tax information, interactions, script count, consumer billing, attracting pharmacists to work in pharmacy, DEA reports and neatness of labels and receipts.

Just recently, however, a new rationale has emerged for installing computers: the usefulness in implementing a total "integrated" store management system.

At least six chains, some wholesalers, and several hundred independents are now either using or installing mini and micro computer packages "linked" to the front end.

A few chains actually have stores up and running in which a master computer—sometimes the pharmacy computer, sometimes not—interacts with all

Continued on page 42

PHARMACY

Continued from page 41

the other electronic equipment in the store and captures and processes the data gathered.

In some cases, the master computer is or will be the pharmacy computer. In other cases, such as Pay 'n Save and Pay Less NW, the master computer either is or will be facilitating communications between the pharmacy computers, the front end and a host computer at headquarters.

Says *ComputerTalk's* Lockwood, "The initial thrust of the pharmacy computer was production-oriented, but today the computer is being used more as a decision support system."

The point-of-sale system works via an interface—an electronic connecting device—through which information impulses, such as cash register sales, can be received and stored in the same computer the pharmacist is using to fill prescriptions. The information is held in the computer's memory until access is made in the form of preprogrammed management reports, the software that tells the computer what to do with the data.

Mark Braunstein, president of National Data Corporation, a pioneer in POS, says the new technology will enable the pharmacist to use his computer to the fullest extent.

"What has previously been available to department stores and supermarkets is now available to the drug store at a fraction of the cost," he points out.

Several chains have installed pharmacy systems, with the addition of POS in the near future a major priority.

Once installation is complete, Big B plans to hook up its National Data Corporation computer systems with special TEC America electronic cash registers that will enable communication of information between the two.

Boots Drug Stores Ltd. has installed its first of 30 standalone pharmacy systems purchased from JTS Computer Systems Ltd. of Canada.

According to Jan Weisiolek of Boots' management information services, a major consideration in choosing the JTS unit was for future POS conversion.

The role of the wholesaler in the pharmacy computer business has become clear in recent months. At least three of the top 10 wholesalers have purchased computer companies, with sights set on the pharmacy systems developed by the companies.

According to Lockwood, the drug wholesalers, which already have a solid customer base to work with, are the most likely candidates to do well selling the new high-tech computer systems.

"According to our statistics," says Lockwood, "67% of the wholesalers we polled are selling a pharmacy-computer system. And of those wholesalers not offering a system, 60% said they planned to offer one for sale in the future." *ComputerTalk's* study further showed that 71% of those wholesalers offering a system were using a national brand as opposed to an internally developed system.

In California, McKesson Corp. has unveiled a moderately priced computerized scanning system with full POS functions. The 3PM system (3PM is a McKesson subsidiary) is currently being tested in a 4,000-sq.-ft. Wrigley Drug store in Pontiac, Mich. If testing is successful, Allen Stotsky, president of the chain, plans to install the equipment in all of his nine stores.

A spokesman at Spectro Industries Inc., Jenkinton, Pa., a drug wholesaler that recently acquired S. B. Systems, says his company will begin to phase in the new computer system as soon as an existing sales contract with 3PM expires. Marketing of the new S. B. Systems computers is expected toward the end of this year.

FoxMeyer Corp., Dallas, which acquired TBL Inc., a firm that already provides pharmacy-computer hardware and software to more than 700 independent and chain drug stores, plans to provide retailers with software packages that include electronic-order entry, POS, nightly maintenance, third-party billing, and inventory control systems.

A wholesaler that took the plunge into the computer business by developing its own system rather than buying a company is Bergen Brunswig.

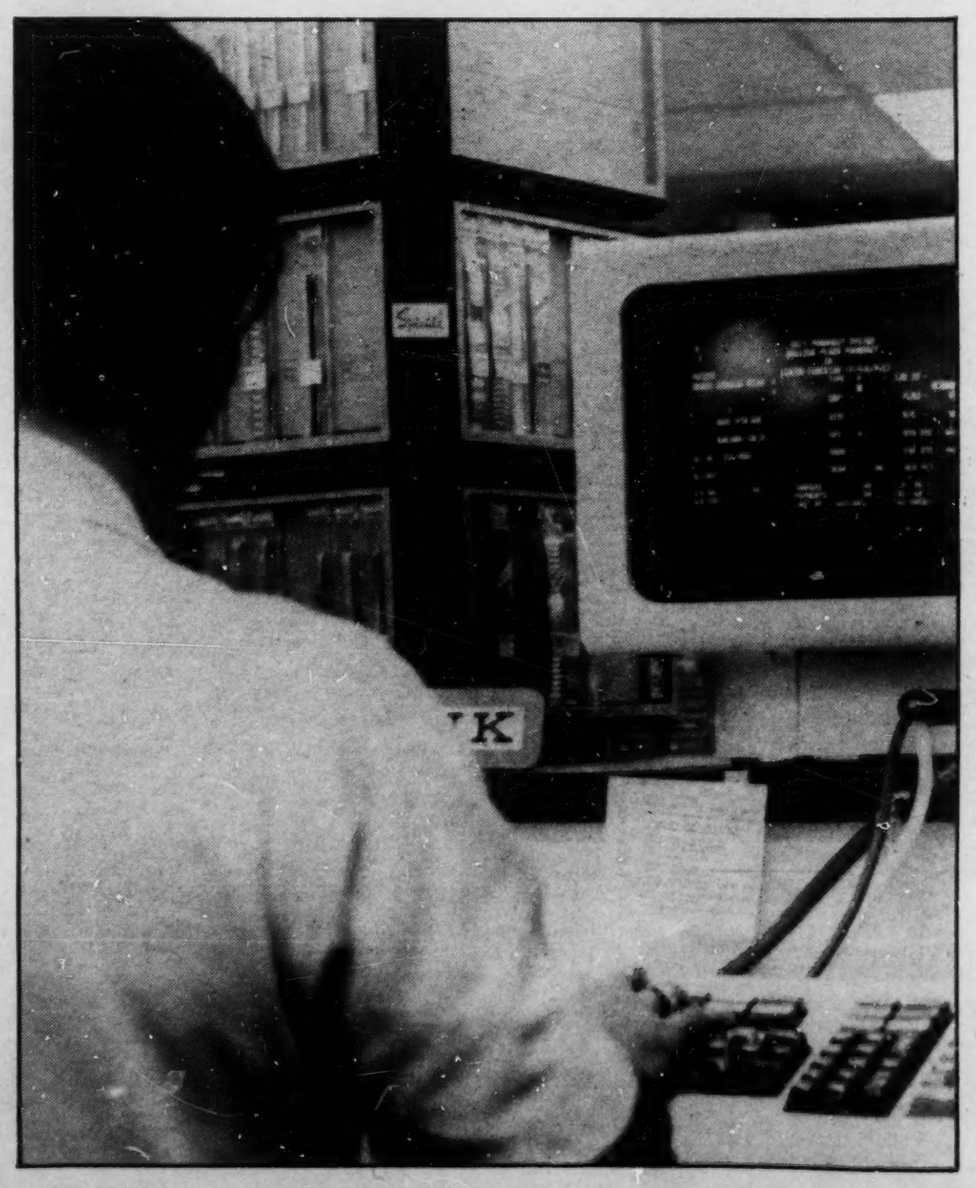
"We have the technology now to upgrade our original Compuphase computer to a state-of-the-art system," says Craig Toyama, director of Bergen's computer division.

DrSN Guide to Software Versatility

Manufacturer	Label/Receipt	Patient Profile	DRUG INTERACTIONS a) Drug/allergy	b) Drug/drug	c) Drug/illness	Third-Party Processing	Nursing Home Forms	Accounts Receivable	Payroll	Price Updates	Perpetual Inventory	Durable Medical Equipment	D.E.A. Reports	General Ledger	Accounts Payable	Maintenance
Anacomp	B	B	B	B	B	B	X	B	X	B	X	X	B	B	B	$250/Mo.
Autoscript	B	B	X	X	X	B	B	B	X-$500-$700	X-$25/Mo.	B	X-3,500	B	X-$500-700	X-$500-700	$75/Mo.
3PM	B	B	B	B	B	B	X-$1,000	X-$1,000	X-$600	X-$35/Mo.	B	N/A	B	X-$600	X-$600	$50/Mo.
National Data	B	B	X	X	X	B	X	X-$1,500	X-$600	X-$50/Mo.	B	X	B	X-$600	X-$600	$100/Mo.
G/H Systems	B	B	B	B	N/A	B	X-$1,500	B	N/A	B	B	X-$3,600	B	/x-$3,600	X-$950	$100/Mo.
General Computer	B	B	B	B	B	B	X-$3,000	B	X-$600	X-$40/Mo.	N/A	X	B	X-$600	X-$600	$60/Mo.
Honeywell	B	B	B	X	B	B	X-$995	X-$495	N/A	X-$375	N/A	N/A	B	N/A	N/A	—
Response Inc.	B	B	B	N/A	N/A	B	X-$1,500-2,000	X-$850-1,000	N/A	X-$350-500	N/A	B	B	X-$125	N/A	$350/Mo.
Software Development	B	B	B	B	N/A	B	X-$600	X-$500	N/A	X-$25/Mo.	B	X-$1,500	B	N/A	N/A	—
Mastercare	B	B	N/A	N/A	N/A	B	X	B	N/A	B	B	N/A	B	N/A	N/A	1% of purchase price
Norand	B	B	B	B	N/A	B	X-$3,000	X-$1,000	X-$460	X-$55/Mo.	B	N/A	B	X-$460	X-$460	$40/Mo.
Apothetech	B	B	B	B	B	B	X-$1,750	X-$750	N/A	X-$35/Mo.	N/A	N/A	B	N/A	N/A	$195/Mo.
Pacific Pharmacy	B	B	B	N/A	N/A	B	X-$500	X-$500	X-$300	X-$30/Mo.	B	X-$500	B	X-$300	X-$300	—
Bergen Brunswig	B	B	B	B	B	B	X	B	X	B	X	X	B	X	X	$125/Mo.
S.M.E.	B	B	N/A	X	N/A	B	B	B	X-$895+	$60/Mo.	B	X	B	X-$595	X-$595	$50/Mo.
NCR	B	B	X	X	X	B	B	B	X	X-$60/Mo.	B	N/A	B	X	X	—
James W. Daly Inc.	B	B	B	B	N/A	X	B	B	N/A	B	B	B	B	N/A	N/A	None
AutoScript	B	B	X	X	X	B	B	B	N/A	X-$700	X	X	B	X-$600-700	X-$100-700	$50/Mo.
The Condor Corp.	B	B	B	B	B	B	X	N/A	N/A	B	B	X	B	N/A	N/A	$50/Mo.
Compute Rx	B	B	B	B	N/A	B	X-$500	X-$500	N/A	X-$45/Mo.	B	N/A	B	N/A	N/A	$30/Mo.
Freedom Data	B	B	B	B	B	B	X-$500-1,000	B	X	X-$25/Mo.	B	X	B	X	X	$95/Mo.
Polaris	B	B	N/A	N/A	N/A	B	B	X-$150	N/A	X-$25/Mo.	B	N/A	B	N/A	N/A	—
Pharm Data	B	B						B	B					B	B	
Smith Data Processing	B	B	B	B	B	B	N/A	B	B	X	X	X	B	X	X	—
S. B. Systems	B	B	B	B	B	B	B	B	B	X-$30/Mo.	B	B	B	N/A	N/A	$95/Mo.
Triad Pharmacy Systems Inc.	B	B	B	B	B	B	N/A	B	X	B	X	B	B	X	X	$100/Mo.
TBL Inc.	B	B	B	B	B	B	B	B	X-$1,000	X-$40	B	X-$3,000	B	X-$750	X-$750	$150/Mo.
Script Systems Inc.	B	B	B	B	B	B	B	B	X-$300	X-$40/Mo.	B	X	B	X-$500	X-$500	$60/Mo.

N/A = not applicable
— = not available
B = included in basic price
X = extra charge
Source: *Drug Store News* survey

Special report: pharmacy computers and POS systems



PHARMACY

Chains use TV, mail to promo service

In an effort to boost store traffic, many chains with pharmacy computer systems are now heavily promoting them through TV, newspapers, direct mail and in-store displays and events.

Standard Drug, for example, acting on the assumption that its pharmacists are in the best position to promote the company's computer system, hired an ad agency to produce a commercial featuring an actor in the role of a pharmacist. To add realism to the production, Standard chose one of its pharmacy departments as the filming site.

As a result, Dick Barnes, vp of professional relations for the Richmond, Va.-based chain, believes that the consumer will associate the actor in the film with Standard's own pharmacists. "Even our pharmacists who have seen the commercial have been asking me which store we took him from to do the commercial," says Barnes.

"Our pharmacists feel they played a major role in the computer advertising campaign," he added. "They are eager to discuss the system with our customers."

In addition to the commercial, bag-stuffers and direct-mail advertising are used for the computer promotion.

Standard's direct-mail advertisements are targeted to the physician as well as to customers. "The doctors love our computer," said Barnes. "Once they are made aware of the advantages, the doctors actually become a source of promotion by passing the information along to their patients."

The physicians especially like the computer's ability to cross-reference drug interactions with the patients' medical profile to catch any potential problems before they occur.

In Oregon, Wilsonville-based Pay Less NW stresses the confidentiality of information received from the patient in its advertising.

"By telling the public through our advertisements that all personal information they furnish is kept strictly confidential," explains Tom Wilers, pharmacy systems coordinator for the chain, "it lessens the 'Big Brother' image of which so many shoppers are afraid." This point is stressed through local television and newspaper ads, as well as through in-store banners and posters.

At Gray Drug Fair in Cleveland, Irwin Livon, vp of professional services, uses his advertising to increase the consumer's awareness of the types of work the computers can do.

Livon is convinced that customers' familiarity with the computers, through constant exposure, increases a sense of security with stores that have computers. Therefore, if they switch to a pharmacy that does not have a computer, they would not be satisfied.

"It's a lot like an automatic garage-door opener," says Livon. "Nobody really thinks they need one until they buy it. Then try to take it away and see the reaction."

Currently operating 119 computers in its chain, Hook Drug, Indianapolis, advertised its pharmacy computer system on the customer's receipt.

Realizing that there was empty space on the store's label sets, Keith Johns, assistant vp and director of professional services, saw to it that the blank space was filled with a message that promotes the chain's pharmacy computer.

"We weren't using the space anyway," says Johns, "and what better time to alert the public to the advantages of the system than when they receive their receipt. This way it is always in front of them."

Features common to all computer advertising being done by the chains include:

- Shorter waiting time for filling prescriptions, especially those on third-party plans.
- The ability to give the customer a record of drug purchases for tax-reporting.
- Accurate record keeping on new as well as refill prescriptions for quicker retrieval.
- Programmed drug interactions to alert the pharmacist.

Select computer/POS interactive systems

In-store computer system	Electronic communicating POS systems	Surface interface vendor
IBM Series I	IBM registers	IBM
IBM PC XT and/or PC	TEC America	National Data Corp.
FoxMeyer's TBL	FoxMeyer's EPOS	FoxMeyer
NCR Tower 1632	NCR 2126	NCR batch transfer
Digital Equipment Corp (DEC)	Sweda L/50 Sweda L/70	McKesson connector
Data General desk top	Sanyo 580	Script systems

Source: *Drug Store News*

Special report: pharmacy computers and POS systems

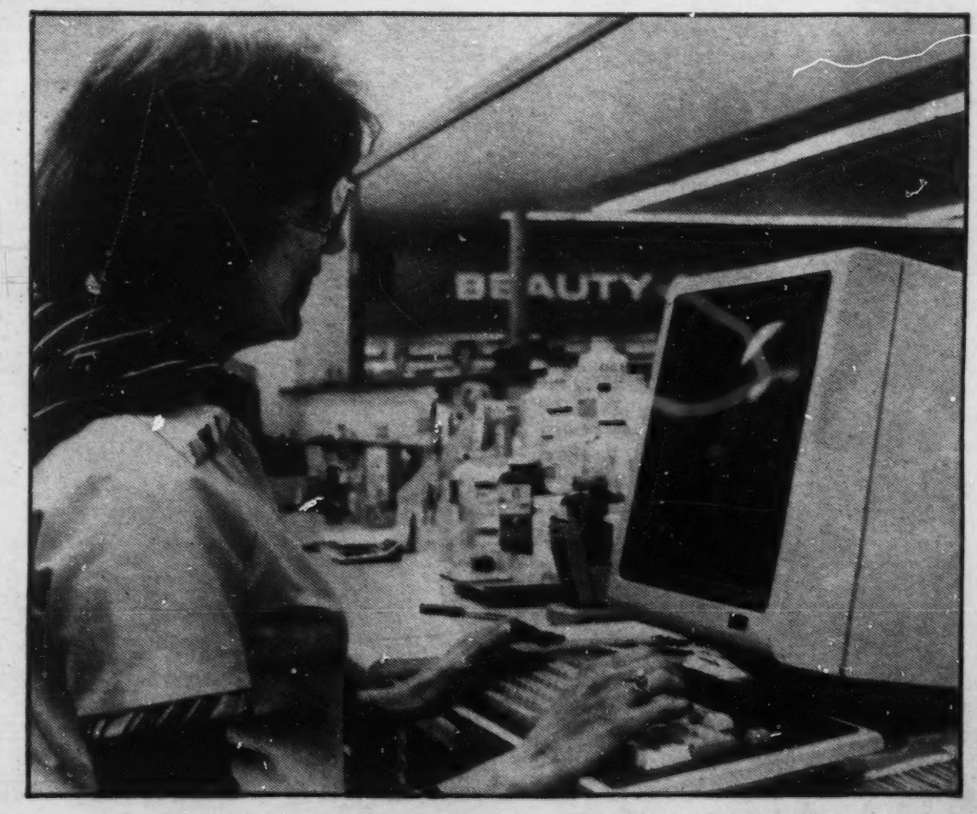
Select applications possible with integrated front-end/computer-management systems

1. Gross-margin analysis
2. Shelf-label audits
3. Inventory control
4. Shrink monitoring
5. Automatic reordering
6. Daily store delivery program
7. Direct store delivery program
8. Labor scheduling
9. Time and attendance studies
10. Electronic mail
11. Order entry
12. Word processing
13. Pharmacy management

Top wholesalers with Rx computer systems

Wholesaler	Location	Name of computer system	Customer accounts	Retail customers with Rx system
McKesson	San Francisco	3PM	15,300	1,600
Bergen Brunswig	Los Angeles	Compuphase	7,250	300
FoxMeyer	Dallas	TBL	3,700	1,200
Spectro	Jenkington, Pa.	S.B. Systems	4,000	110
Owens & Minor	Richmond, Va.	ComputeRx	800	68
McPike	Kansas City	Caps (on-line) PC-1 (stand-alone)	2,000	200
Los Angeles Drug	Rosemead, Calif.	Compuscript (on-line) PC-1	800	85

Source: *Drug Store News* survey



PHARMACY

Model computer guidelines released by Rx association

As pharmacy-computer installations continue at a breakneck pace, The National Association of Boards of Pharmacy (NABP) has released model computer regulations for review by its state board of pharmacy membership.

The model computer regulations have been written into the newly revised Model State Pharmacy Act and Model Regulations of the NABP. This document updates institutional regulations, nuclear pharmacy regulations, and includes a model institutional pharmacy inspection form.

According to NABP executive director, Fred T. Mahaffey, the model computer regulations are geared to "serve as a guideline for all NABP member states wishing to utilize such a composite in developing their own regulations."

The computer regulations were developed by the NABP Committee of Law Enforcement/Legislation after careful review of existing state regulations, model regulations developed by individual state boards of pharmacy, model language developed by the chain drug industry, input from computer industry executives and help from pharmacy associations.

Serving on the committee were: chairman and member of the Arizona Board of Pharmacy, Joseph J. Rowan; Elaine Dunn, president, New Jersey State Board of Pharmacy; Len DeMino, vp, professional services, Peoples Drug Stores, and George McFarland, senior vp, Reed Drug Company, a division of Peoples.

According to committee members, the intent of the model computer regulations is "to deal with and to define procedures that will not only comply with state and Federal regulations, but will assist to facilitate the inspection of those pharmacies employing the use of a computer."

"These regulations are not mandatory," said chairman Rowan.

The model regulation is divided into seven sections. The first two sections deal with a review of pharmacy regulations that most states are already enforcing. The remaining five sections deal directly with computer systems being used in the pharmacy department:

- Section three is devoted entirely to how sections one and two should be carried out if the pharmacy is using a computer system. Highlights of this section are:

The system shall have the capability of producing sight-readable documents of all original and refilled prescription information. These records may be read from the computer's CRT, microfiche, microfilm or a computer printout. To provide completeness and accuracy of computer entries, the pharmacist filling prescriptions entered into the computer must provide documentation in the form of a printout of each day's prescription activity or in the form of a bound log book.

The printout must be dated and signed by the pharmacist verifying the correctness of information. The documents must be maintained for five years from date of last dispensing and must be in the pharmacy within 72 hours of date of dispensing.

Should the computer be inoperative, an auxiliary record-keeping system should be established for documentation of refills. Once the system is working again, this information must be transferred to the computer to be made part of the patient's permanent profile.

- Section four states that there must be adequate safeguards or security of the aforementioned records.
- Sections five and six deal with the ability to satisfy all information requirements in prescription transfers to another store. This includes transfer of schedule III, IV, and V controlled and dangerous substances for refill purposes.

Rx computer features ranked by pharmacists

Feature	Rank	% of sample considering item important
Pricing	1	92%
Third-party billing	2	85
Patient profile	3	46
Labor savings	4	31
Marketing	5	27
Prescription filling	6	8
Inventory control	7	12
Management reports	8	8
Tax information	8	8
Interactions	9	8

Source: *Drug Store News* survey

Special report: pharmacy computers

THIS YEAR, STERNS PHARMACY WILL USE ONE

Not only that, but Sterns will gross close to one million dollars doing it.

Which is pretty amazing for a tiny 350 sq. ft. pharmacy in Reading, Pennsylvania, which was recently suffering from chronic disorganization and advanced financial ills brought on by increasing paperwork and mounting labor costs.

Sterns' powerful solution that works for all prescriptions—and just about everything else in the store—is the Basic Four® Pharmacy System. This information system has been custom-designed by MAI experts to meet the specialized procedures and needs of any size pharmacy operation.

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Continued on page 49

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PHARMACY

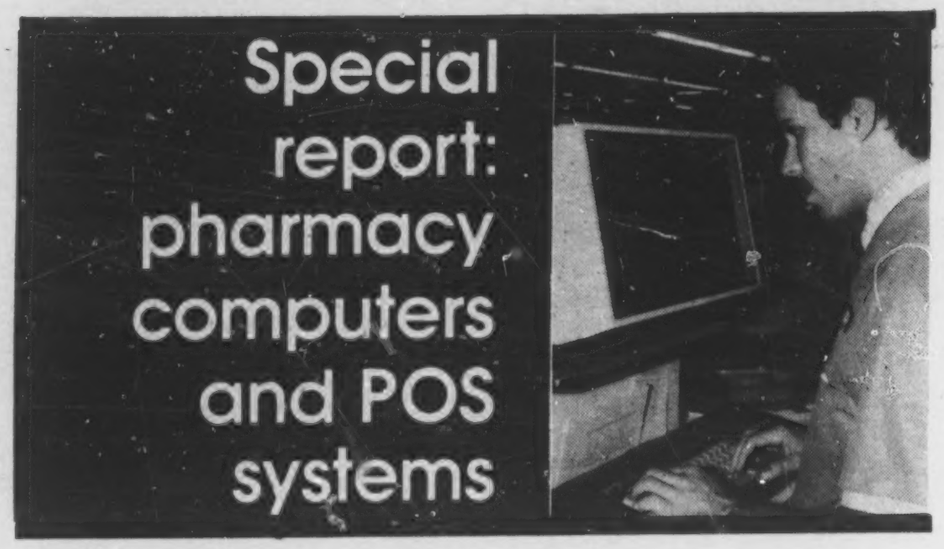
The race toward an integrated computer system

Continued from page 1

Such connectors are now available from IBM, Sweda, National Data Corp., Fox-Meyer's TBL division and McKesson's 3PM company to name but a few.

Pay Less NW seems to have won the distinction of being the first drug chain to "fully automate" (i.e., to communicate with any electronic subsystem within the store thereby fully integrating all in-store data into one common base), but other chains are either testing or preparing to test some version of an integrated system including Eckerd, Revco, Rite Aid, Thrifty, Medi Mart and Big B.

At year end, Eckerd should have about 100 of its approximately 1,500 stores tied to a communicating front-end system. The front end, in the Eckerd system, has its own price look-up file stored on a hard disk in the master cash register. That master can literally "communicate" or interact with a personal computer located in the manager's office handling scheduling and other activities plus it (the front-end) and the manager's computer can "communicate" with the personal computer in the pharmacy department. A company spokesman said Eckerd plans to automate another 100 stores by next July.



Unlike the Pay Less integration system, the Eckerd test as well as most of the other current tests are not considered "fully integrated" because there is no one master computer storing all available data in its memory and acting as a "facilitator" by which one in-store machine talks to another or the host computer at headquarters talks to the front end.

Eckerd, sources say, is also using a mini-computer, the IBM Series I, in its integrated high-volume stores where the number of pharmacy scripts processed in a single day exceeds 150.

Thrifty is also using a mini, again the Series I, to talk to its electronic point of sale as well as to perform a variety of other management programs. Thrifty, sources say, began implementing the link-up in five stores about six months ago. The chain hopes to have all 540 stores interactive in about three years.

Rite Aid is also testing an integrated front-end/computer-management system in six stores, but sources say the chain is taking its time about implementation, waiting to be sure management knows exactly what hardware it wants and exactly what software package to be developed to manage the system.

Revco, which began testing an integrated system about a year ago, is also taking its time, testing various combinations of front-end/computer-management packages in about 20 stores.

Medi Mart is currently installing upgraded point-of-sale registers and pharmacy systems in all 54 stores, and they are expected to have the system chainwide within the next 12 months or less.

Big B, the 100-unit, conventional-sized chain headquartered in Birmingham, Ala., is planning to test one or two integrated stores sometime next year. (See *Drug Store News*, Aug. 20.)

Bridging the gap

Generally most chains and independents are bridging the gap from a purely pharmacy computer system to a fully integrated in-store management system by putting a stand-alone pharmacy system in first and then building or adding on to that system later by adding "in-store communicating" electronic cash registers. Some chains, like Medi Mart, however, are putting the POS in first.

Once the operators feel they have the "right software to link the two systems and get them to do exactly what that specific operator wants them to do," they begin "tieing" or connecting the two together, allowing the master computer to control the flow of data into and out of the front end. Generally that computer then transmits the data back to the host computer at either a chain or wholesaler's headquarters.

At this early stage in the game, hard statistics are hard to come by, but most point-of-sale manufacturers estimate that currently less than 10% of all the cash registers in the drug store universe are truly upgradable to integration.

However, that is not seen as a major drawback to full-scale implementation because chain management has apparently been anticipating this development since scanning first electrified the supermarket industry.

"Will depreciate quickly"

"If you look at the types of registers most chains have been buying to date," says one source, "you'll see they are basically intermediate investments of between $800 and $1,000 each. They'll depreciate quickly and the chains will be ready to write them off when they make their final decision about which kind of in-store communicating system they should select."

The source also pointed out that most independents are even in a better position to convert to "in-store communicating EPOS."

"They haven't been buying new equipment as fast as chains and most are now in a position where they're ready to replace their mechanicals or their first generation electronic registers," he said.

"Independents are also buying pharmacy computer systems at a very rapid rate so what would be more natural then to buy a system that would let you integrate your entire store. They know it's coming. They know the chains are going to do it. They know supermarkets are doing it. How else are they going to compete?"

As far as pharmacy components go, the penetration is even deeper. By the most recent count, approximately 25% of all independent stores and 20% of all chain stores now have mini- or micropharmacy computers and that estimate is expected to exceed 30% for both segments by the end of 1984. (See *DrSN*'s special feature on pharmacy computers in this issue.) That will mean that by the end of 1984, there will be about 15,000 stores out there with pharmacy computers, about 4,000 of them chain stores.

This count doesn't even include the approximately 1,000 combination food/drug stores, some of which are already adding pharmacy department applications to the software programs for their own in-store minis.

With the costs of the hardware down to approximately $30,000 to $40,000 for a four-register drug store, the software is really the only stumbling block to a wide scale roll out of integration technology.

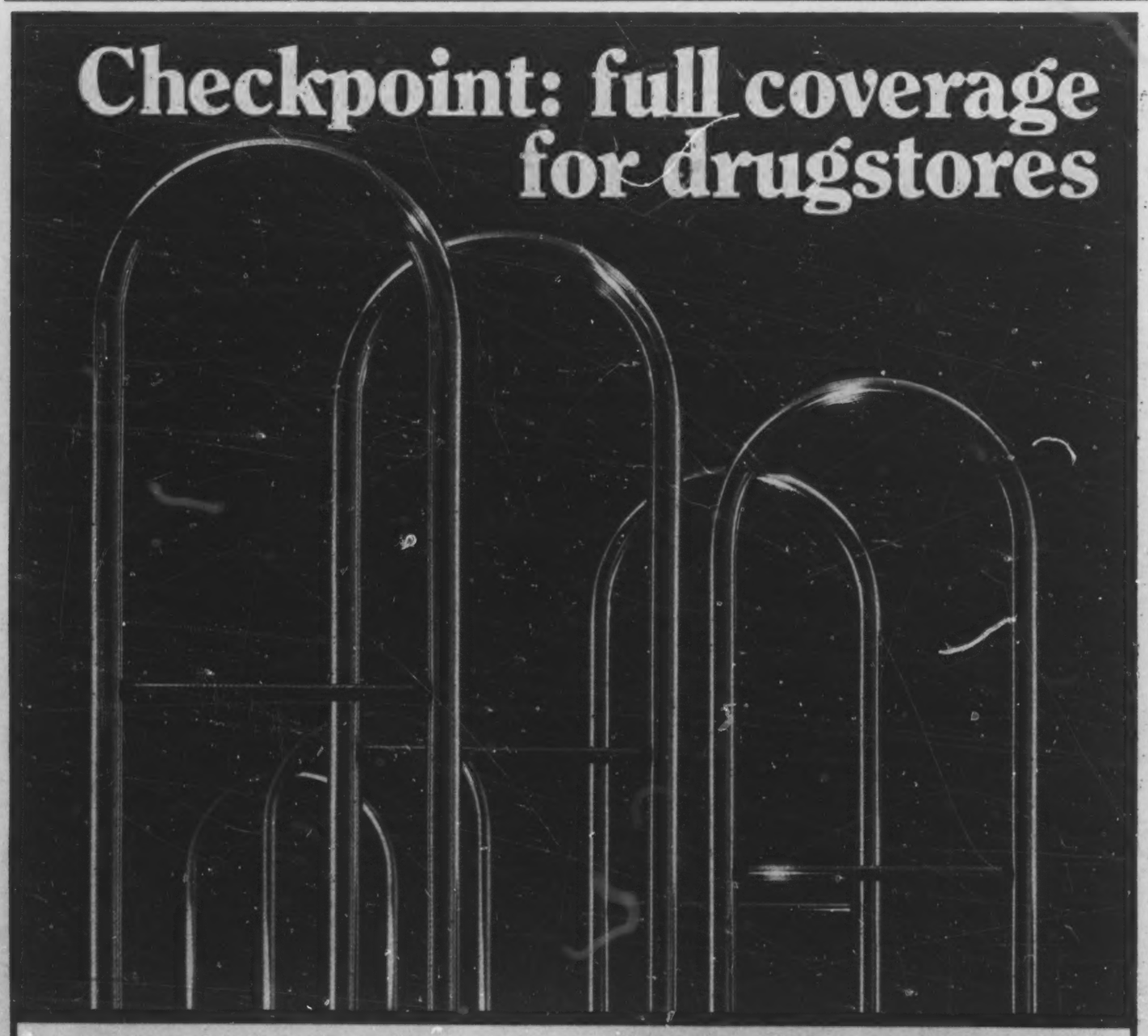
Getting the bugs out

Most retail sources say that the rest of 1984 and early 1985 will be spent "tinkering" with existing packages and with new programs until all the potential buyers are satisfied they have a system that can do everything they want it to do.

"That's how Revco and Rite Aid are proceeding," says a source. Toward the end or middle of 1985, however, sources say they expect to see enormous flurries of activities in this area as chains like Revco, Rite Aid, Eckerd, Big B, etc., make a decision on the route to follow. Once that happens, they say they expect to see the smaller regional chains quickly following up on the trend, and some sources are estimating that the industry might be "more than 50% integrated" by the end of 1990.

The approximately 38,000 stores that belong to independents and two or three store operators might even achieve penetration faster because, as sources pointed out, they do not have to wait for several dozen committees to make a decision. Most independents are pharmacists and when they see the system that they like, they can just say: "I'll take it."

The independents, too, of course, will be aided in their roll out by wholesalers. McKesson, whose 3PM computer division created the integrated package just announced at McKesson's trade show last July, sold more than 125 systems, mostly to independents, right on the floor of its show. Sources say there were literally hundreds of other requests for additional information.



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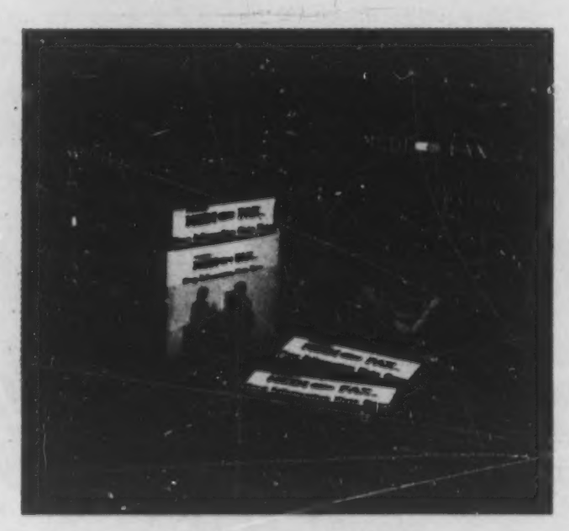

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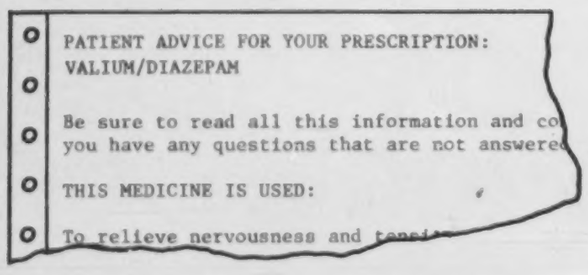
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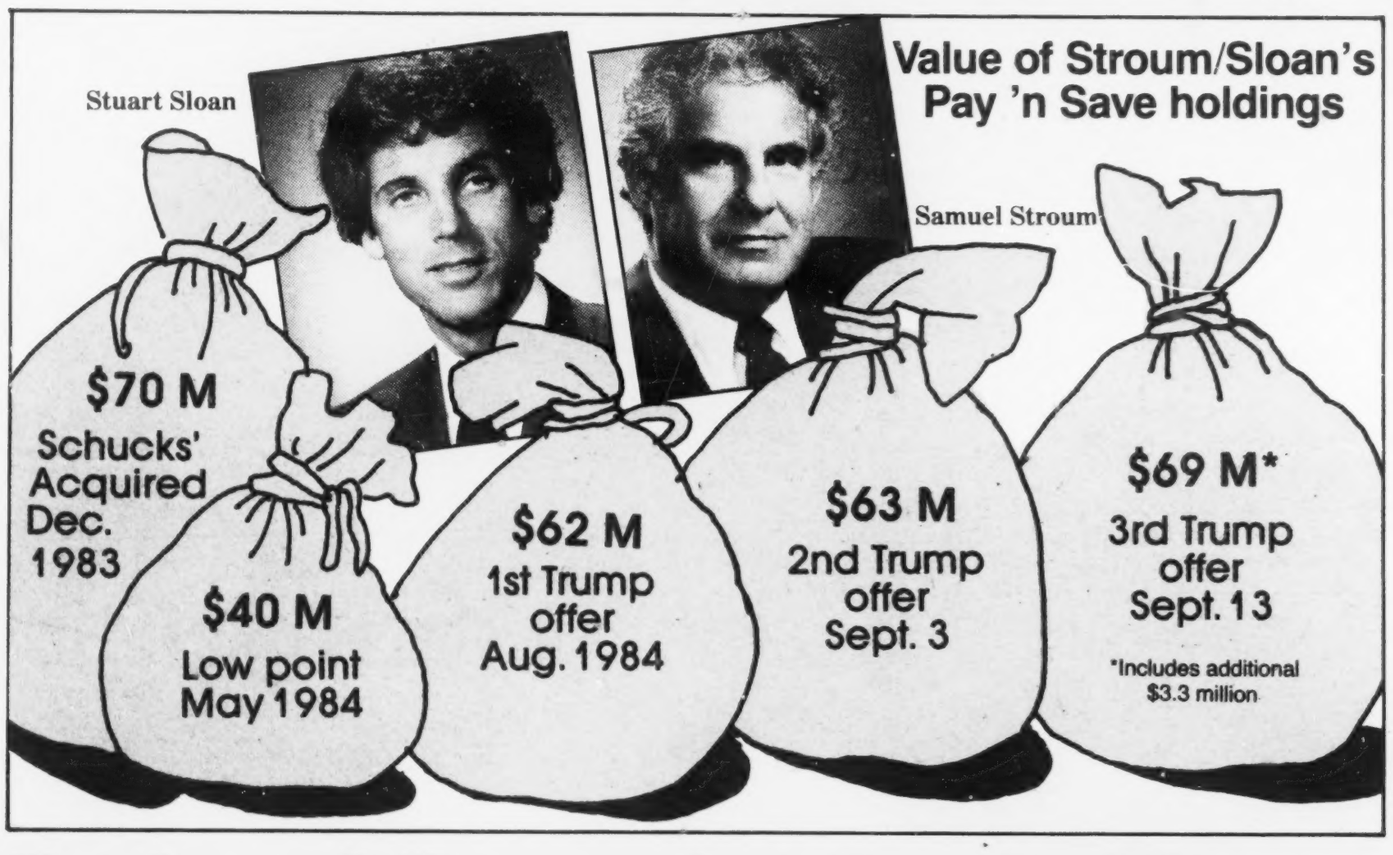
DRUG STORE NEWS

Vol. 6/No. 21 | Serving the Retail Drug Store Industry for 55 years | Published by Lebhar-Friedman Inc. | October 1, 1984

Sweetened offer ends Pay 'n Save buyout fight



By Lou Karney

SEATTLE — A group of private investors led by the Trump Group and 13 Pay 'n Save officers have averted a threatened takeover battle for the company led by its two biggest shareholders.

The investment group has agreed to pay Samuel Stroum and Stuart Sloan, the shareholders who had challenged the group's acquisition of Pay 'n Save, an additional $3.3 million for the option to buy their 2.8 million shares at $23.50 a share.

The per-share price is $1.50 higher than the group's original offer of $22. The group has also agreed to pay Stroum/Sloan's legal and other expenses, which are expected to be in the six-figure range.

Ninety per cent of the investment in the deal is Trump's. Of the remaining 10% being put up by the 13 Pay 'n Save officers, one-half will come from chairman Monte Bean, vice chairman Cal Hendricks and president Ron Erickson.

The buyout is thus not expected to have much effect on the present management, except that, as a private company, it will no longer have to operate in the glare of public shareholder scrutiny.

On Sept. 17, the NLAC Corp., a Trump affiliate designated to carry out the offer, began the cash tender offer for all outstanding shares at $23.50 per share.

The offer was conditioned on, among other things, obtaining a minimum of eight million shares, or approximately 52.5% of those outstanding or issuable under currently exercisable options.

Continued on page 45

Probe of Revco buying habits: Odd Lot charges 'insignificant'

By Jim Ricchiuti

TWINSBURG, Ohio — Findings from the investigation into the purchasing procedures at Revco D.S. failed to turn up the ammunition that Odd Lot principals Bernard Marden and Issac Perlmutter hoped they could use at the drug chain's annual meeting.

Revco said the special committee of outside board members and Peat, Marwick, Mitchell & Co. auditors concluded that the allegations lodged by the two dissident shareholders "were in many cases insignificant, contained extensive errors factually and in large part dealt with matters where business judgment could have gone either way at the time the decision was made."

Although Revco said none of the Odd Lot allegations had a "financial impact on the company," the chain did concede that there were problems in its purchasing department. The drug chain said the investigation revealed a "lack of coordination" in the purchasing, scheduling and shipment verification of some promotional and seasonal merchandise.

According to one source, some of the problems were traced to Revco's advertising circular program, which Revco introduced for the first time last year. "It was the first year and they had some problems," the source said. "They may have had more problems than they needed to have."

Acting on the recommendations of the committee, Revco also said that it was discontinuing all purchasing from Joseph DeKama, a health & beauty aids supplier headquartered in

Continued on page 45

DeKama suit names Revco

PARAMUS, N.J. — Joseph DeKama, the H&BA sales representative and distributor whose name surfaced in connection with the investigation into buying practices at Revco, has begun a $10 million antitrust lawsuit against the drug chain and two of its major shareholders.

DeKama, president of Northside Development Co. Inc., charged that the Twinsburg, Ohio-based chain and shareholders Isaac Perlmutter and Bernard Marden were attempting to drive him out of the business of distributing overruns, closeouts and discontinued merchandise.

A suit filed in Federal District Court in Manhattan alleged that Revco, at the instigation of Perlmutter and Marden, had approached manufacturers who had used DeKama and his

Continued on page 45

Perry bristling at Rite Aid's Mich. acquisition

PONTIAC, Mich. — As Rite Aid steps up its drive into Michigan, Perry Drug is considering legal action against the Shiremanstown, Pa.-based company for acquiring a small chain that Perry thought it had locked up.

Two months ago, Perry signed a letter of intent to purchase Remes Drug in Grand Rapids, Mich., a six-store chain that does about $7.2 million a year in sales.

However, Perry recently got a letter from Remes notifying the management that discussions had been terminated, according to chain spokesman Berl Falbaum.

Perry subsequently discovered that Remes had signed a deal with Rite Aid.

"We are considering all alternatives, including legal," said Falbaum. "We considered the Remes deal with Rite Aid a breach of our good-faith bargaining."

According to Falbaum, the major details of the Perry/Remes deal had been worked out, and officials were surprised to find that Rite Aid was also dealing with the chain.

Despite the letter of intent, a legal expert told *Drug Store News* Perry may not have a case because such letters often include escape clauses.

The purchase of Remes is just one of several moves that Rite Aid is making in its growing penetration of the Wolverine

Continued on page 45

Shadows cast by the elevated train tracks (visible in background) give Walgreen's new Bronx store a Chicago loop feel.

Walgreen expansion track leads to Bronx

By Gail Appleson

NEW YORK — Walgreens' recent opening of a store in the Bronx heralds what some industry sources feel is just the beginning of the chain's powerful emergence in this market.

The first of four stores planned for three New York City boroughs—one each in the Bronx and Brooklyn and two in Queens—is Walgreens' first major thrust into this metropolitan area in two decades.

Officials of Walgreens, which now has 1,006 stores nationally, say that if the stores do well, there could be 10 to 15 new openings in this market annually.

Although Walgreens opened its 1,000th store in Chicago with great fanfare last month, some observers feel that the quiet New York opening may have been a more significant event. They expect the Deerfield, Ill.-based chain to rebuild its presence in New York City with much greater strength after its slow retreat from the market.

The chain, which has continued to operate stores in Hempstead, Kingston, Valley Stream in New York State and the Manhattan Port Authority bus terminal in New York City, chose in the 1960's to give up leases as they ran out in other state locations. The pull-out was attributed to high rents, costly labor and excessive pilferage. Industry sources also said Walgreens lacked some of the prime locations that would have allowed it to take advantage of the dense population.

Walgreens' officials had announced the New York push during the chain's annual meeting early this year and said they felt they now knew how to handle the difficult market.

Continued on page 45

More competition seen in wake of patent bill

WASHINGTON — Top Congressional leaders and Reagan Administration officials joined representatives of the nation's generic drug manufacturers in predicting a sharp increase in pharmaceutical industry price competition following final passage of compromise ANDA/Patent Term Restoration legislation late last month.

Health and Human Services Secretary Margaret Heckler, for one, predicted that the new law will "save $1 billion in consumer costs over the next 12 years" by allowing generic pharmaceutical houses to obtain fast-track marketing approval for scores of me-too versions of "new" (post-1962) drugs.

Generic Pharmaceutical Industry Association president William Haddad forecast a 100% increase in "the number of low-cost generic drugs in the marketplace," and predicted that the legislation will "cut the price of many popular drugs in half."

Under the final bill, upward of 150 off-patent single-source drugs with total sales of some $4.5 billion annually are now likely to face competition from lower-priced generic versions that will become "approvable" under the streamlined "Abbreviated New Drug Application" (ANDA) process.

Among the prime targets for generic competition:

- SKF's Dyazide, which went off patent in 1980 and generated sales of nearly $177 million in 1982;
- Wyeth's Ativan ($55 million in '82) which lost its patent protection last January;
- Upjohn's Tolinase, which produced sales of more than $49 million in '82 after its patent expired in 1979;
- Roche's Dalmane, off patent since Jan. 17 ($48 million in annual sales);
- Lilly's Keflin ($43 million) which went off patent in 1982, and
- Searle's Norpace, a $38 million drug which lost its patent protection in 1982.

See related story page 21

If generic manufacturers capture only 10% of the market for these sole-source pharmaceuticals that are already off patent, the total market for generic drugs will increase from less than $1 billion at present to between $2 billion and $3 billion annually, GPIA projections indicate.

In addition, Haddad released a list of 44 other major brand-name pharmaceuticals which he described as prime candidates for generic ANDA treatment as soon as their patents expire over the next few years.

Among the top sellers in this group: Ayerst's Inderal ($247 million), Merck Sharpe & Dohme's Aldomet ($152 million) and Pfizer's Diabinese ($102 million)—all of which are due to go off patent this year.

Roche's Valium ($219 million) and Upjohn's Motrin ($173 million), both of which go off patent in 1985, will also be subject to quicker generic price competition as

Continued on page 46

—News in brief—

Jewel-Pay Less trial set

SAN FRANCISCO — In the latest fallout from the bitter 1979 battle for control of Pay Less California, Jewel Cos. has won the right to a full trial in its claim for damages against Pay Less NW, the company that acquired the California chain.

Jewel originally sued Pay Less NW in late 1979, but in June 1982 the Wilsonville, Ore.-based drug chain won a summary judgment from the U.S. District Court of Northern California.

Jewel then appealed to the U.S. 9th Court of Appeals in San Francisco, and that court has now reversed the decision and ordered a full trial.

Jewel, recently acquired by American Stores, claims it is entitled to damages because the Chicago-based food/drug chain had signed an agreement with the board of directors of Pay Less California before Pay Less NW made its offer. Pay Less NW subsequently completed the acquisition of the 61 California stores.

Jewel's suit for damages did not specify any dollar amount.

Regardless of the outcome of the case, the acquired California Pay Less stores will remain part of the Pay Less NW chain.

Rite Aid buys Jays

SHIREMANSTOWN, Pa. — Rite Aid has acquired the five-store Jay's Drug Stores Inc., based in Lockport, N.Y. The stores are located upstate, near Buffalo, where the chain already has a strong presence. Rite Aid is currently on a strong acquisition streak, bringing more than four new chains under its belt in the last three months.

Second discount Pathmark opens

GLEN BURNIE, Md. — Supermarkets General Corp. has opened its second deep-discount Pathmark Super Drug Store here. Modeled after its successful 22,000-sq.-ft. unit in Dundalk, Md., the new store offers discounts up to 50%.

Pathmark's entry with a deep-discount unit into this market has caused a price war, with Giant and Safeway both slashing prices to meet Pathmark head on.

Bortnick retires from Giant

LANDOVER, Md. — Morris Bortnick has retired from his post as sr. vp professional services at Giant Food. Bortnick was with the food/drug combination chain for 23 years.

Replacing Bortnick is Emanuel Richman, also a 23-year employee of Giant. Richman's title is director of professional services.

Four new Fay's stores

LIVERPOOL, N.Y. — Fay's Drug has unveiled four new stores, bringing to 111 the total number of stores operated by the chain. The new stores are in Norwich, Cheektowaga and Saugerties, N.Y., and Eynon, Pa.

Index

Classified	40B
Financial	6A
Merchandiser	13
Merchandise news	40B
Pharmacy	21
Pharmacy product update	30

Drug Store News (ISSN 0191-7587), is published biweekly—every other Monday, monthly in December plus extra Pharmacist's Reference issue in April, by Lebhar-Friedman Inc., 425 Park Ave., New York, N.Y. 10022. Subscription rate $15 per year; $27/two years. Single copy rate $2.00. Outside U.S.A.: Canada $16, $29/two years. Foreign subscriptions: Airmail only $100 per year.

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Vol. 6, No. 21 October 1, 1984

American Stores to sell Rea and Derick drug chain

By Faye Brookman

NORTHUMBERLAND, Pa. — Just months after American Stores executed the $1.15 billion takeover of Jewel Cos., the Salt Lake City-based retailing giant has reportedly put its Rea and Derick drug stores up for sale.

Companies that have been mentioned as possible suitors for the 145-store chain include Peoples Drug (backed by the financial clout of parent Imasco), Rite Aid, Fay's and Weis Markets, a 112-store supermarket chain based in Sunbury, Pa.

The proposed sale of Rea and Derick comes on the heels of American's agreement to sell its 33 Alpha Beta supermarkets and one drug store in Arizona to Abco Markets for about $55 million.

Analysts view the sell-offs as steps to raise cash needed to retire the debt accrued when American purchased Jewel at a sweetened price of $75 per share.

"I'm sure American's balance sheet has deteriorated," explained Fred Wintzer Jr. of Lehman Brothers. "It is only natural that once two companies merge, some things will be sold off."

Added Mesirow Co.'s John Landschulz, "Sam Skaggs [chairman of American] may have decided that now that he has Osco, he doesn't need Rea and Derick."

Retailers, suppliers and analysts familiar with both operations said Rea and Derick was a logical divestiture because the chain of small (under 10,000-sq.-ft.) drug stores located in rural areas of Pennsylvania does not fit into American's overall game plan.

Although Rea and Derick operates five 19,000-sq.-ft. superstores modeled after Skaggs super centers, most of the stores are considerably smaller than the huge units Skaggs prefers. And, Rea and Derick's markets of eastern and central Pennsylvania don't mesh with either American's strong Southwest and West Coast markets or Jewel's West Coast, Midwest and New England areas.

"Last year," explained one competitor, "they opened those huge stores resembling Skaggs. But out here, even if everyone in the area spent $10, a store couldn't hit $1 million in sales per year."

Although suppliers familiar with Rea and Derick stores claimed the units are profitable, it is reported that sales do fall under industry averages. By most estimates, the stores generate an average of $900,000 a year. These numbers, they said, weren't good enough for Skaggs.

"We heard that Sam flew to Pennsylvania and told management that the company just hasn't been able to do with Rea and Derick what it has been able to do with other divisions," related one competitor.

Continued on page 46

New H&BA's spark interest at Assoc./Affil. buyer show

NEW YORK — A host of new products ranging from fur coats for Cabbage Patch Kids to pump toothpastes greeted buyers at the Associated/Affiliated Chain Drug Stores Exposition last month.

Those attending the three-day event prowled the three show floors of the Omni Park Central Hotel in search of last-minute Christmas items as well as spring products. With a strong spring and summer behind them, most buyers came ready to fatten lean inventories. Several executives said they were trying to discover unique promotional items.

"I'm looking for that one item that will pay the way for the show," quipped the president of one Southern based chain. "I always find it."

Among the new products piquing retailers interest was Kimberly Clark's new virus-killing tissue called Avert. Jim Whitticom of Carls Drug, for example, said his chain will test the new tissue in all of its stores.

Another health and beauty aids category generating interest was pump toothpastes. Check-Up is already nationally distributed, while Colgate announced plans during the show for a countrywide rollout this month. Lever Brothers was also showing its new Aim pump, which will shortly be appearing on drug store shelves.

"I'm excited about the pumps," said John Mirmelstein of Gray Drug Fair. "Check-Up has done well and we're looking forward to Colgate and Aim pumps."

Mirmelstein was also interested in two new products from L'Oreal; a new hair color and new face makeup. The face makeup will debut in March 1985, the hair color sometime later next year.

L'Oreal's Visuelle face makeup will consist of Makeup Fluide, Powder Blush and Pressed Powder. At least $10.7 million will be spent backing this line, which will retail at prices falling above typical drug store fare.

Several retailers expressed concern about the high price tag, but did point out that L'Oreal has been successful with lip and nail items carrying a high-end price.

"It will be interesting to see how the makeup will do," said Whitticom. "The eye colors have slow turns and face makeup is even slower."

Joe Lamia, vp sales of L'Oreal's new cosmetics group, didn't deny that face makeup turns slowly, but noted how big a business it is. "It is such a huge category—$448 million—and no one has been spending against it until now."

Continued on page 46

Bergen agrees to buy Allen Co.

LOS ANGELES — Bergen Brunswig Corp. has signed an agreement to buy the Allen Company, an Orlando, Fla.-based distributor of pharmaceuticals, for an undisclosed amount of cash.

The deal was scheduled to be completed Oct. 1.

The acquisition of the company, which serves central and south Florida, marks Bergen Brunswig's first entry into the Sunshine State.

"As part of our corporate strategy, the company had previously announced its intention to expand into the Florida marketplace and continue its policy of penetration of the Sunbelt," said Emil P. Martini Jr., chairman and ceo of the nation's second largest drug wholesaler. "We are pleased to be able to do so with the acquisition of a company that has the fine reputation and growth record of the Allen Company."

Allen generated sales of about $70 million for the year ended June 30. The company operates an 80,000-sq.-ft. distribution center in Orlando.

FINANCIAL

Rx sales lead way to banner quarter at Fay's

LIVERPOOL, N.Y. — With hefty increases in prescription sales leading the way, Fay's Drug Co. reported record results for the second quarter and six months ended July 31.

Earnings for the quarter increased 28% to $2.2 million, or 16¢ a share, from $1.7 million, or 13¢ a share, in the corresponding quarter last year.

Sales for the quarter rose 16% to $87.4 million from $75.3 million a year ago.

For the first half, net earnings were up 39% to $3.6 million or 26¢ a share, from $2.6 million, or 20¢ a share, in the same period last year.

Revenues for the half increased 18% to $170 million from $143.8 million.

Henry A. Panasci Jr., chairman of the company, said a key element in the performance was the increasing sales generated by the chain's pharmacy departments. "During the first six months of our fiscal year," Panasci said, "Fay's pharmacists filled almost three million prescriptions, producing sales of $35.6 million, an increase of 24.6% in prescription sales over the same period last year."

Panasci also said that "the maturation of new stores opened during the last two years, coupled with an increased sales base resulting from recent store openings, continues to increase Fay's penetration of its existing markets."

He added that the company's "strong financial position and favorable operating results" would enable Fay's to continue its aggressive expansion program.

Top five gainers

Company	2-week % change	Closing price 9/10
Pay 'n Save	+31.21	$23.13
A. H. Robins	+14.66	16.63
Pay Less NW	+ 5.95	22.25
Perry	+ 5.34	17.25
Eckerd	+ 4.92	24.00

Top five losers

Company	2-week % change	Closing price 9/10
Genovese	−12.98	$14.25
Forest Labs	−12.17	12.63
Reid Prov Labs	− 8.00	2.88
Newport Pharm	− 6.67	3.50
Carter-Wallace	− 5.97	23.63

		STOCK PRICE							TREND TO MARKET				EARNINGS/SHARE					P/E	DIVIDENDS			FINANCIAL POSITION					
		From 08/24/84 - 09/10/84							Price Trend (% per day)		Volume Trend (% per day)			Latest 12 Months vs Preceding 12 Months Change		5-Year Annual Growth Rate	Profit Margin		Indicated Dvd. rate			Last Fiscal Year			Last Fiscal Year (Per Share)		
Name	Symbol	High	Low	Close	Change Amt	Change Pct	52-Week High	52-Week Low	Last 30 Days	Last 5 Days	Last 30 Days	Last 5 Days	Last Fiscal Year	Amt.	Pct			Latest P/E Ratio	Amt.	Yield	Last X-Dvd. Date	Revenue	Earnings	Current Ratio	Long Term Debt	Common Stock Equity	Last Balance Sheet Date
-	-	$	$	$	$	%	$	$	%	%	%	%	$	$	%	%	%	-	$	%	-	$ Mil	$ Mil	-	$	$	-
Chain Store transactions																											
Adams Drug	ADG	17.00	15.50	16.50	-.38	-2.22	24.88	11.00	.28	.50	-.89	-34.07	1.74	.62	F	55.3	40.0	2.4	9.5	.04	.2	09-10-84	302.1	7.1	3.2	7.78	11.40	1283
Am Stores	ASC	38.50	36.25	38.00	-.50	-1.30	44.00	26.50	-.13	1.09	-.77	-29.88	3.61	.87	Q	30.3	54.0	1.5	10.2	.64	1.7	06-20-84	7983.7	117.9	1.5	12.39	15.26	0184
Begley Co	BGLY	15.50	15.50	15.50	.00	.00	22.00	14.50	-.23	.09	3.41	.00	1.47	1.46	N	NC	-10.0	1.4	10.6	.68	4.4	07-16-84	56.6	.8	1.8	11.50	17.52	0383
Big B	BIGB	10.88	10.38	10.38	-.63	-5.68	14.50	8.88	-.01	-.62	-2.87	-14.87	.53	.14	Q	33.3	23.0	3.0	18.5	.00	.0	09-21-83	117.0	3.5	2.3	.18	3.88	1283
Drug Sys	DRGS	4.25	3.75	4.13	.00	.00	7.50	3.25	.06	2.02	1.09	-13.29	.56	-.16	F	-22.2	NC	2.1	7.4	.00	.0	01-25-84	82.3	1.7	2.8	2.40	3.12	0383
Eckerd, Jack	ECK	25.25	22.25	24.00	1.13	4.92	29.38	20.25	.10	-.89	-.29	-47.16	1.91	.31	N	16.5	6.0	3.1	11.0	1.00	4.2	09-10-84	2325.0	71.7	2.0	.30	15.17	0783
Fay's Drug	FAY	10.88	10.38	10.75	.13	1.18	14.50	8.38	.02	.19	-1.15	-27.50	.60	.15	Q	31.2	56.0	2.6	17.1	.20	1.9	06-18-84	312.4	8.1	1.7	1.78	3.82	0184
Genovese Drug	GDX	16.50	13.75	14.25	-2.13	-12.98	20.50	11.50	-.38	.10	5.78	-5.79	.96	.31	Q	43.6	79.0	2.0	14.0	.20	1.4	06-14-84	193.8	3.9	1.9	2.83	4.92	0184
Hook Drugs	HOOK	22.50	21.75	22.13	.38	1.72	29.50	18.50	.13	-.14	-2.05	14.55	2.01	-.07	S	-3.5	8.0	2.7	11.6	1.00	4.5	07-09-84	320.5	8.7	1.7	2.75	10.38	1283
Longs Drg Strs	LDG	40.50	39.25	40.00	.13	.31	49.75	34.00	-.17	.21	3.06	-48.25	3.43	.45	Q	14.6	11.0	3.0	11.5	1.28	3.2	08-28-84	1214.4	36.4	1.9	.00	20.32	0184
Pay N Save	PAYN	23.13	17.25	23.13	5.50	31.21	28.75	14.38	.72	1.38	10.92	-13.58	2.02	-.23	S	-13.2	.0	2.5	15.4	.60	2.6	08-20-84	1220.5	30.1	2.0	9.01	14.37	0184
Pay Less NW	PAY	22.25	20.63	22.25	1.25	5.95	22.25	14.00	.24	.94	1.41	-.74	1.35	.30	Q	27.0	4.0	2.9	15.8	.34	1.5	09-17-84	852.9	24.7	1.8	4.62	7.19	0184
Perry Drug	PDS	17.75	16.25	17.25	.88	5.34	22.38	12.38	.29	.20	1.21	-34.31	1.02	.37	Q	50.0	11.0	1.6	15.5	.24	1.4	08-21-84	285.5	4.5	2.2	2.78	9.75	1083
Revco Drug	RDS	32.88	28.63	29.88	1.00	3.46	37.50	24.00	.46	-.32	4.28	-8.07	2.54	.41	F	19.2	28.0	4.2	11.8	.80	2.7	08-20-84	2227.5	93.4	2.5	1.33	11.59	0583
Rite Aid Corp	RAD	24.13	23.13	23.75	-.38	-1.55	26.00	17.50	-.20	.67	-4.18	-36.08	1.47	.29	Q	23.5	30.0	5.1	15.6	.41	1.7	07-13-84	1223.3	62.2	2.3	.49	7.68	0284
Thrifty Cp	TFD	18.00	17.13	17.50	.25	1.45	20.50	11.50	.07	-.27	-1.32	-18.47	1.13	.27	N	25.7	19.0	1.9	13.3	.52	3.0	08-06-84	1187.8	22.5	1.5	5.39	6.83	0883
Walgreen Co	WAG	39.38	38.75	39.13	.00	.00	42.00	28.63	-.19	.25	-4.15	-15.54	2.24	.61	N	29.7	33.0	2.9	14.7	.72	1.8	08-13-84	2360.6	69.0	1.6	1.76	11.47	0883
Wholesaler's transactions																											
Bergen Bruns	BBCA	23.38	22.63	22.88	-.25	-1.08	31.88	19.00	-.14	-.07	1.31	-23.68	1.60	.21	N	13.2	36.0	1.4	12.7	.32	1.4	07-26-84	1452.0	20.0	1.6	1.22	9.99	0883
Durr Fillauer	DUFM	14.50	14.00	14.00	-.50	-3.45	17.75	10.25	.35	-.10	-1.95	-42.18	.80	.09	S	12.0	21.0	1.9	16.7	.16	1.1	08-20-84	263.2	5.0	2.3	2.03	6.80	1283
McKesson Cp	MCK	37.63	36.75	37.50	.50	1.35	44.25	32.38	-.10	.16	-1.69	-34.25	3.25	.04	F	1.2	1.0	1.5	11.5	2.40	6.4	08-28-84	4260.0	63.0	1.4	10.45	30.25	0384
Foxmeyer Cp	FOXM	25.50	23.75	25.25	-.25	-.98	27.75	20.00	.00	.81	-1.24	40.61	1.27	.33	F	35.1	51.0	1.1	19.9	.00	.0	00-00-00	464.2	5.2	2.0	3.95	11.86	0384
Ketchum	KCH	14.50	13.75	14.38	-.25	-1.71	21.00	10.50	.09	.55	-8.54	-13.33	.80	-.09	F	-10.1	53.0	.3	18.0	.00	.0	09-26-83	245.1	.8	1.5	5.87	5.68	0483
Owens & Minor	OBOD	15.00	14.00	14.25	-.75	-5.00	18.50	11.25	.17	-.10	-1.37	-37.60	1.41	.17	S	14.5	10.0	1.2	10.6	.36	2.5	06-06-84	255.2	3.0	2.8	5.07	11.69	1283
Spectro Indus	SPO	23.88	22.25	22.63	-1.00	-4.23	24.50	15.50	.02	.11	-2.14	-16.67	1.78	.49	Q	35.0	54.0	1.8	12.0	.14	.6	07-03-84	395.4	7.2	1.7	2.86	7.24	0383
Manufacturer's transactions																											
Abbott Labs	ABT	48.75	44.75	46.00	-1.00	-2.13	53.38	38.25	-.11	-.30	2.64	17.82	2.86	.51	S	19.6	26.0	11.9	14.8	1.20	2.6	07-09-84	2927.9	347.6	1.9	4.00	11.71	1283
Am Home Prod	AHP	53.25	50.38	50.75	-2.25	-4.25	55.75	48.00	-.11	-.47	.19	8.64	4.00	.44	Q	12.0	16.0	12.9	12.4	2.64	5.2	08-07-84	4856.5	627.2	3.0	.00	13.14	1283
Baxter Travenol	BAX	17.25	15.75	16.13	-1.00	-5.84	31.00	13.25	-.22	-.42	-.99	1.46	1.45	-.01	S	-.7	22.0	11.8	12.0	.33	2.0	08-31-84	1842.5	218.1	1.7	1.60	8.17	1283
Block Drugs Co	BLOCA	26.50	26.50	26.50	.00	.00	29.13	25.00	-.16	.06	-1.95	-7.69	3.28	.33	F	11.1	16.0	10.0	8.1	1.00	3.8	08-28-84	238.2	23.9	2.5	2.35	17.84	0383
Bolar Pharm	BLR	32.00	29.75	30.38	.25	.83	32.00	17.50	.33	-.94	3.67	-32.84	1.15	.13	S	13.0	46.0	19.2	26.9	.05	.2	02-10-84	25.5	4.9	4.9	.00	4.76	1283
Bristol-Myers	BMY	48.75	46.75	47.50	-.75	-1.55	50.38	38.63	-.19	.25	-.78	-18.25	3.00	.47	S	16.9	19.0	10.4	14.7	1.60	3.4	06-29-84	3917.0	408.0	2.4	.71	13.99	1283
Carter-Wallace	CAR	25.50	23.13	23.63	-1.50	-5.97	26.38	19.38	-.04	-.72	-1.38	13.09	2.37	1.81	F	323.2	22.0	5.7	10.0	.48	2.0	07-26-84	323.1	18.4	2.4	1.69	21.87	0384
Cooper Labs	COO	22.50	21.13	21.63	.63	2.98	27.00	10.38	-.40	-.76	-2.29	5.18	NA	NA		NA	NA	NA	NA	.12	.6	03-12-84	NA	NA	NA	NA	NA	NA
Forest Labs	FRX	13.75	12.25	12.63	-1.75	-12.17	37.25	11.25	-.60	.67	2.84	54.98	.54	.08	Q	16.6	56.0	14.8	22.5	.00	.0	01-14-83	19.6	2.9	8.3	.28	5.42	0384
ICN Pharm	ICN	8.50	7.88	8.38	.25	3.08	11.00	4.88	.22	1.75	5.87	3.15	.22	-.09	Q	-28.1	43.0	5.1	36.4	.00	.0	00-00-00	37.0	1.9	4.3	.20	4.34	1183
Key Pharm	KPH	16.75	15.25	16.00	-.88	-5.19	22.59	10.63	.20	.21	-.31	-12.28	.51	.20	S	50.0	78.0	14.8	26.7	.16	1.0	09-10-84	127.3	18.8	2.1	1.16	1.67	1283
Lilly Eli Co	LLY	58.00	56.00	56.63	-.25	-.44	68.38	53.00	-.17	-.04	-.58	26.96	6.13	.96	S	17.2	12.0	15.1	8.7	2.90	5.1	08-09-84	3033.7	457.4	1.9	1.23	28.86	1283
Lee Pharm	LPH	3.13	2.63	2.88	-.13	-4.17	3.75	2.00	-.38	-1.09	-.27	9.49	-.49	.28	S	NE	-110.0	-14.3	NE	.00	.0	00-00-00	7.0	-1.0	2.6	.41	1.53	0983
Marion Labs	MKC	39.63	36.50	37.25	-1.75	-4.49	48.00	27.25	-.33	-.32	4.57	12.23	1.24	.46	F	58.9	55.0	10.6	30.0	.40	1.1	09-12-84	226.4	24.1	2.5	.05	5.93	0683
Merck & Co	MRK	84.88	81.75	83.00	-1.13	-1.34	104.63	78.25	-.35	.36	2.88	-11.73	6.10	.53	S	9.0	7.0	13.9	13.1	3.00	3.6	08-31-84	3246.1	450.9	1.7	5.21	32.92	1283
Morton Thiokol	MTI	82.75	80.50	80.88	-2.25	-2.71	84.50	60.00	.12	.07	.33	-20.72	5.15	1.25	N	25.7	17.0	5.2	13.3	1.76	2.2	08-27-84	1509.2	78.5	1.4	8.90	32.79	0683
Mylan Labs	MYLN	29.75	25.63	25.75	.00	.00	35.13	6.09	.73	-2.41	4.06	32.79	.40	.24	Q	77.4	98.0	12.7	46.8	.03	.1	08-01-84	36.9	4.7	5.4	.21	1.52	0384
Newport Pharm	NWPH	4.00	3.38	3.50	-.25	-6.67	9.63	2.75	-.52	-1.72	1.85	-24.60	-.21	-.18	F	NE	9.0	-23.5	NE	.00	.0	00-00-00	8.5	-2.0	3.7	.24	1.12	0483
Pfizer Inc	PFE	36.75	34.88	35.88	-.75	-2.05	44.50	29.38	.04	.49	-.62	17.74	2.73	.53	S	22.4	18.0	11.9	12.4	1.32	3.7	07-26-84	3750.0	447.1	2.1	3.03	13.67	1283
Reid Prov Labs	REID	3.13	2.88	2.88	-.25	-8.00	4.75	2.75	-.52	.00	4.15	24.66	.10	.03	N	30.0	56.0	6.1	22.1	.05	1.7	12-09-83	11.4	.7	3.1	.03	.80	0683
Robins, AH	RAH	17.75	14.38	16.63	2.13	14.66	29.38	12.00	.47	1.12	6.79	-26.12	2.40	-.29	S	-12.7	15.0	10.3	8.4	.76	4.6	08-20-84	563.5	58.2	3.2	1.36	14.69	1283
Rorer Group	ROR	32.63	31.63	32.63	.25	.77	34.25	25.25	.05	.26	1.87	25.47	2.02	.28	S	15.3	10.0	8.9	15.5	1.08	3.3	08-06-84	475.3	42.4	2.0	2.18	10.43	1283
Scherer RP Co	SCHC	9.75	9.50	9.75	.00	.00	21.50	8.88	-.09	.18	1.30	46.96	.52	-.52	F	-50.0	-1.0	2.3	18.8	.32	3.3	09-12-84	171.7	4.0	1.9	4.83	11.14	0384
Searle, GD	SRL	50.00	46.38	49.13	2.13	4.52	55.50	37.50	-.05	.24	-2.18	9.61	2.39	.18	Q	7.5	13.0	12.6	19.1	.52	1.1	08-07-84	946.0	119.0	2.4	3.62	14.85	1283
Squibb Corp	SQB	46.88	45.13	45.88	-.50	-1.08	55.63	37.50	-.29	.11	.71	23.80	3.31	.38	S	12.2	11.0	9.8	13.2	1.44	3.1	08-13-84	1768.9	173.3	2.4	3.86	23.24	1283
Sterling Drug	STY	26.25	24.88	25.13	-.50	-1.95	29.63	23.50	-.27	-.70	.87	49.22	2.24	.15	S	6.9	7.0	7.2	10.9	1.16	4.6	08-09-84	1901.2	136.8	2.7	1.44	14.96	1283
Syntex Corp	SYN	48.75	41.88	48.50	1.75	3.74	61.50	37.75	-.25	1.84	5.06	48.50	4.30	.25	N	6.0	32.0	17.2	11.0	1.60	3.3	08-13-84	870.2	149.3	2.2	3.37	18.11	0783
Thompson Med	TM	23.75	21.50	21.88	-1.00	-4.37	26.50	12.75	-.10	-1.55	-4.78	-3.79	1.65	.78	S	55.7	70.0	11.0	10.0	.40	1.8	06-11-84	149.4	16.5	3.2	.00	5.85	1183
Upjohn Co	UPJ	53.75	52.00	52.75	-.13	-.24	72.25	45.00	.05	.16	-2.34	4.73	5.28	1.59	S	35.8	3.0	8.1	8.8	2.56	4.9	07-02-84	1986.1	160.2	2.2	18.02	34.74	1283
Warner-Lambrt	WLA	33.75	31.63	31.88	-1.88	-5.56	36.75	27.63	-.12	-.63	-2.25	-15.48	2.51	.51	S	23.3	1.0	6.5	11.8	1.48	4.6	08-06-84	3108.3	200.5	1.9	7.53	17.75	1283
Zenith Labs	ZENI	16.75	15.75	16.75	.25	1.52	18.00	12.00	.05	.39	-1.25	-4.21	.73	-.43	S	-45.2	56.0	7.8	32.2	.00	.0	00-00-00	32.1	2.5	4.6	1.12	5.12	1283

All data is based on sources believed to be reliable, but its accuracy is not guaranteed. Every effort will be made to correct errors, when discovered, in future issues.

Footnotes:

NA - Not Applicable
NC - Not Calculable
NE - Negative Earnings
NM - No Meaningful Figure
Q - First Quarter
S - First 6 Months
N - First 9 Months
F - Fiscal Year

Data and Table Prepared by Media General Financial Services, Inc., Richmond, Virginia 23219

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MERCHANDISER

Fashion boosts off-season sunglass sales

The flurry of trendy new entries into the $1 billion sunglass market is transforming the category from a seasonal business to a year-round stellar performer.

In chain drug stores, buyers said all-year merchandising of the category should lead to a 15% sales increase over the $157.6 million produced by sunglasses last year.

"We've found the business is strong all year because people want fashion glasses, even for skiing," said Anna Iacono, buyer for Douglas Drug Inc., Providence, R.I.

Recent figures from A. C. Nielsen Co. support the strong upward sales trend in the category. For the first four months of 1984 vs. 1983, overall sunglass sales jumped 27% in dollars and 41% in units; that's compared with only a 7% dollar increase and a 1% unit gain from 1982 to 1983. Growth in drug stores was a healthy 21% in dollars, 25% in units.

To keep sales climbing, buyers said they are supporting the department all year instead of pulling the racks after Labor Day. However, some chains, such as Pontiac, Mich.-based Perry Drug, move the display to the rear of the store until the prime season.

"Drug chains are getting smarter," said Rodney Hayes, purchasing administrator for the Bonneau Company. "They realize that one-third of the business is now done from August to January—what was once considered off-season."

Sunglasses have become a fashion item, buyers said, because of movies and TV stars sporting new styles. Even *Time* magazine spotted the current craze and recently dubbed sunglasses "the essential accessory."

Now that the business has become so trendy, retailers are critiquing manufacturers by their fashion offerings. One company receiving high grades for its fashion entries is Opti-Ray with its Flash Fashion line. According to Buddy Sklar, sr. vp, the line was so successful last year that it has been extended from five sku's to 11. "There will be new cords and coordinated colors, new styles and gradients—it'll be wild," Sklar told *Drug Store News*.

A survey of drug chains and suppliers revealed that the following styles should command sales for 1985:

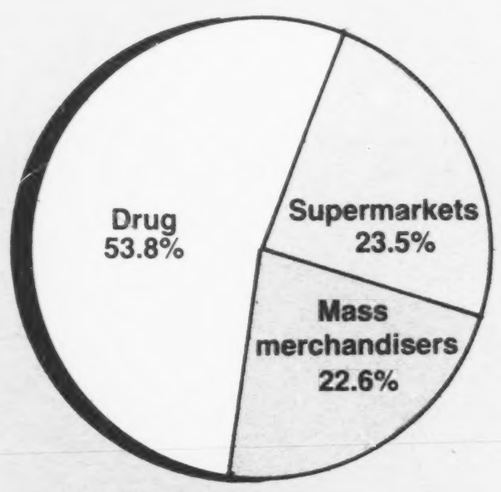
- Glasses with leashes or cords. This style, reminiscent of the glasses librarians wore, was inspired by TV star Tom Selleck and later picked up by fashion magazines and department stores. Drug stores were quick to add them to the mix and sold both glasses with cords and the cords separately. For 1985, the look will still be strong, however, new colors will dominate sales.
- Tinted lenses and those with different colors.
- Beveled, rimless glasses. This style will continue to be a popular hit. Also, buyers pick any frame with an Italian influence as a winner for 1985.
- The "punk" look. These frames, often in black, are gaining in popularity thanks to movies such as Risky Business and The Blues Brothers.
- And, several buyers peg Opti-Ray's new licensed agreement with Coppertone as a winner. The product, Coppertone Sun Protectors by Opti-Ray, will be ultraviolet, impact resistant and available in fashion tints.

In addition to fashion, buyers look for a price/quality ratio in the sunglass category. "Today's customer wants quality and wants to feel the price he or she paid is worthy of the product," explained a buyer from a Southern chain.

Sklar at Opti-Ray said the most popular price points are currently between $8 to $12. Research from Packaged Facts, a New York-based research

Continued on page 16

Drug stores still produce majority of mass-market sunglass sales



Source: A. C. Nielsen Co.

Drug chains find niche with small food depts.

At Walgreens president Fred F. Canning doesn't fear the onslaught of the giant food/drug combos. He is convinced that there's still plenty of room for the relatively small, conveniently located drug store with a limited food mix that appeals to busy shoppers. Walgreens has more than 100 of these mini-combo stores.

Cincinnati-based SupeRx also subscribes to the theory that hurried shoppers prefer the in-and-out convenience of a drug store. The chain now operates 28 stores with 25% of the selling space devoted to convenience foods. SupeRx will even add a snack bar complete with a microwave and fountain in select locations.

And Wellby Super Drug Stores in Portland, Me., just upped its commitment to food with the opening of a new 7,500-sq.-ft. store housing a 2,500-sq.-ft. convenience food department. Wellby plans to open four more such stores this year. Previously, Wellby devoted only 1,000 sq. ft. of space to foods.

These are three examples of drug chains that are reacting to today's lifestyles by adding more food to the drug store mix. Buyers report that sales per square foot in food can exceed $125 and volume can account for as much as 20% of store sales.

Why are drug stores enjoying bustling food sales? There are several reasons, but an underlying message is that the increasing demand for one-stop shopping is fueling growth of convenience food sales.

"I think more and more chains are getting involved in convenience foods," reasoned K&B's Mark Blandford. "It enhances the one-stop shopping image."

Indeed, more drug chains are enlarging food selections. To date, chains including Begley, Longs, Peoples, Perry, Carls and Douglas have introduced convenience foods into the mix. In total, drug chains produced better than $1 billion in food and beverage sales in 1983. By most indications, sales should rise 12% in 1984, buyers said.

Bob Upthegrove at Perry said his food sales have been strong, especially in markets where there are no large food stores. "We're in a unique situation in Michigan. There's so much grocery competition here that a lot of food stores have closed down. We've added groceries in those markets and it has been successful." Perry's department, he added, averages 32 ft. to 48 ft.

For Perry, it makes sense to open a convenience food department in locations where supermarkets have folded. What guidelines can other drug chains rely on to target the best food locations? A representative of SupeRx devised the following points for a location with food:

- Ample parking or a downtown location with a dense population.

Continued on page 16

MERCHANDISER

Fashion boosts off-season sunglass sales

Continued from page 1s
firm, breaks out sales by price points like so: 40% of sales are in the $5 to $7.49 range; 26% in the $7.50 to $9.99; 18% in the $10 to $14.99 range; 7% in the $15 to $19.99, and 9% in the $20 and up price range.

Service important

A third factor a retailer considers when selecting a sunglass company is service. The racks must be kept clean and stocked. Also retailers do not want to be saddled with items that won't move.

A survey of drug chains found that most carry at least two, and sometimes three brands of sunglasses. In some chains, the buyer splits his or her stores between companies.

"Then we compare them to see who gives us the best service and where we get better turns and gross margins," said one buyer who is currently reviewing several lines before making a final decision.

Indeed, the search to boost margins and improve the turns, which average two the three times per year, is paramount in the category. Drug stores account for about 25% of the total sunglass business but must sacrifice the hefty 45% margins during price promotions in order to compete with other retailers. To date, most retailers have relied on half-price promotions which boost sales, but sap margins.

Better promotions sought

"I wish someone would devise a better promotion than half-price," lamented one buyer. "No one is making anything on that promotion."

He suggested more couponing and import programs to boost margins. And, several manufacturers offered item advertising as an alternative. "Promote the fashion looks on the ads," one supplier said.

Buyers did cite several vendors as improving the support for the category. For example, Corning was applauded for its $3.6 million promotion of its Chameleon line. Others selected Visual Scene's co-op advertising program as a power hitter. CVS, for example, teamed up last May with Visual Scene for a television and print ad blitz that "was very successful," according to a CVS manager.

Although coupon programs and co-op ad dollars are adding to the profitability of the category. Several chains prefer import programs.

Perry Drug, for example, opted for its import program four years ago and now stocks only its own line on racks of 340 frames in all stores. The chain prefers this method because it yields greater control.

"Everyone in our markets discounts sunglasses at least 40%," said Peterson. "The import program helped us improve our profits."

Drug chains find niche with small food depts.

Continued from page 13
- Convenient store hours.
- A mix catering to the rushed shopper including key categories such as bread, dairy, luncheon meats and other staples in smaller to medium sizes (8 oz., 15 oz.).
- The ability to get people in and out fast.

Other buyers added that a full commitment is required to make the department viable. Buyers recommended using a supplier capable of making adjustments to the mix store-by-store.

As far as pricing, chains like to keep prices slightly above supermarkets, yet below convenience stores. Overall margins fall in the 20% to 30% range.

However, chains did point out that national brand items are promoted heavily as loss leaders to draw traffic.

Added Blandford, "People like brand items. We sell more Heinz ketchup than we will sell a no-name at a savings."

The hottest new items in convenience food departments now, according to buyers, are the soft cookie lines.

"We're really excited about the new cookies," said Upthegrove. "There is heavy couponing about to break in our market."

To date, several manufacturers, including Duncan Hines, Nabisco, Frito Lay and Keebler, have debuted soft-baked cookies.

Concluded the representative of SupeRx, "These are a perfect drug store food item—there is high demand, they fit on the shelves just fine, margins are good and the products are quality items."

Raleigh, N.C.-based Kerr Drug offers shoppers three price points: Bonneau, the top of the line price at up to $16, its own label tagged Soft Shadow priced $6 to $12 and a generic line retailing between $2.99 and $5.99.

The food department at a glance

- 1983 sales ... $1.1 billion, up 7.7% over 1982
- Typical gross margins 20% to 30%
- Department turns ... anywhere from 10 to 60 times per year
- Best-selling sizes ... smaller jars such as 8 oz. or 15 oz.
- Current best sellers ... dairy items, snacks including nuts, beer and wine, cake mixes, ketchup, soft drinks and juices
- Average commitment ...110 sku's in dry groceries, 137 in beverages, 202 snacks and 118 in paper goods

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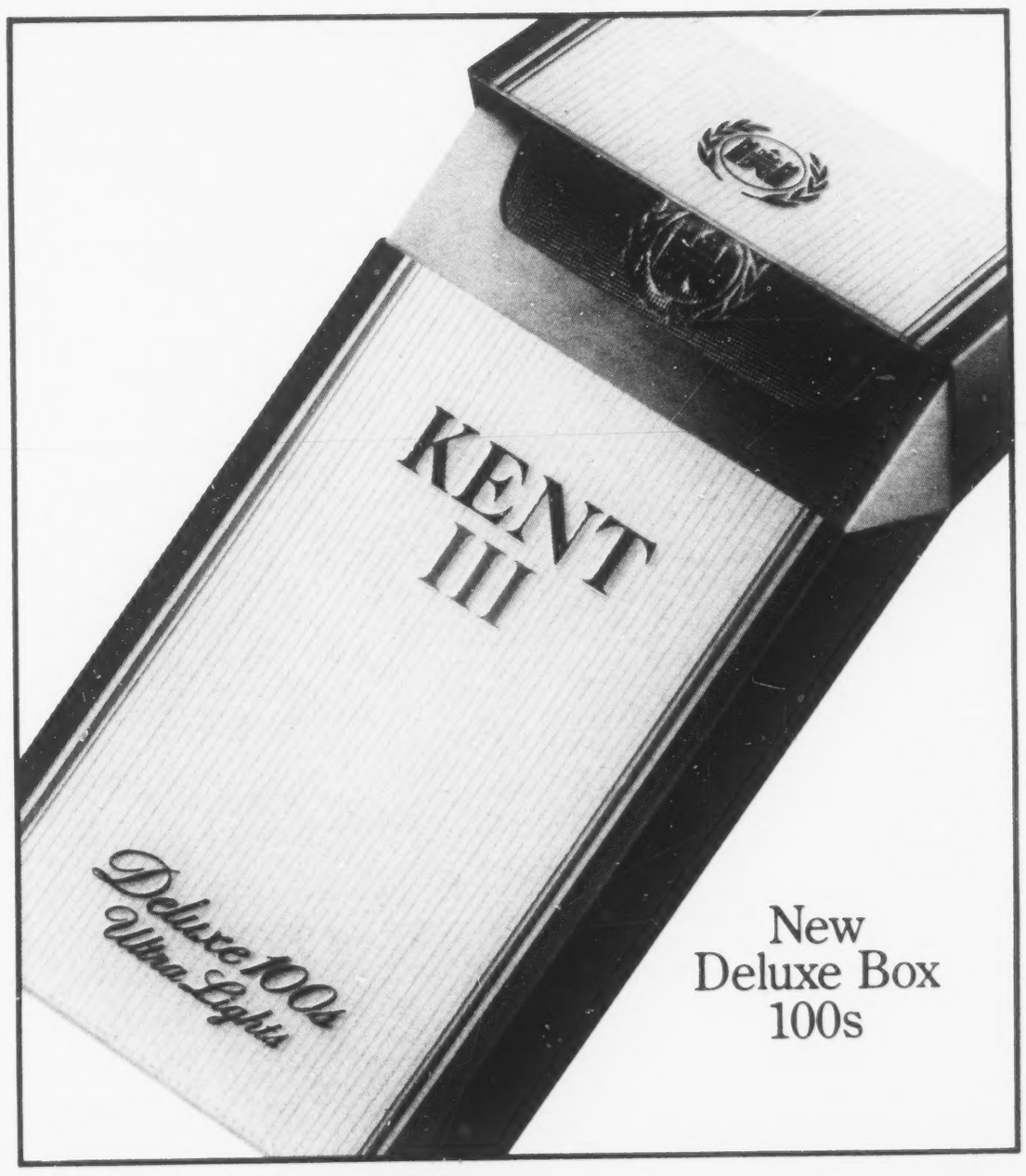

Kent III, the most successful ULT line extension, strengthens its selling appeal with a prestige new package: Deluxe Box 100s.

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